Eyes on the Planet, EssilorLuxottica's sustainability program

For renewable energy sourcing, EssilorLuxottica strives to make additional positive environmental impacts whenever possible in the countries of its manufacturing facilities. For instance, since 2018, one of its export laboratories in India has gotten 70% of its energy from a neighboring solar farm.

Meanwhile, in 2021, 99% of electricity used by EssilorLuxottica sites in Poland, 95% of electricity used in Italy, 90% of electricity used in Spain, 75% of electricity used in France, 50% of electricity used in Thailand

and 40% of electricity used in the UK was sourced from renewable energy providers with Energy Attribute Certifications (EACs). Thanks to these purchased renewable energy, the Group avoided more than 124,000 tons of GHG emissions in these countries, which is not reflected in the location-based scope 2 emissions disclosed in the below table.

The table below shows EssilorLuxottica's overall scope 1 and scope 2 GHG emissions, with location based accounting methodology.

	2021 (in. GV)	2021 (ex. GV)	2020	2019
TOTAL SCOPE 1 + 2 EMISSIONS (tCO ₂ eq)	772,593	727,207	742,854	787,153
Scope 1 emissions	52,807	45,317	46,011	49,547
Gas	49,335	41,845	42,785	44,923
Liquid fuel	3,472	3,472	3,226	4,624
Scope 2 emissions - location based	719,786	681,890	696,843	737,606
Electricity	719,483	681,587	696,580	737,272
Steam	303	303	263	334

Note: To continuously improve GHG reporting and increase the accuracy of GHG emissions calculation, the Group implemented several methodological changes in choosing the emission factors:

3. Supporting carbon reduction projects beyond the value chain

To contribute to the global transition to net-zero status, EssilorLuxottica supported two forestry projects in Italy and China to reduce carbon emissions beyond its value chain.

In December 2020, the Company announced the launch of a first major forest restoration project covering an area of 30 hectares in the foothills of the Dolomites (Unesco World Heritage Site), which was damaged in 2018 by the severe storm Vaia and is situated behind the Company's main production plant in Agordo. Starting from the first quarter of 2021, the Company took charge of 15,000 trees and planted 2,000 new ones, using only locally sourced species to increase forest biodiversity and resilience in accordance with scientific guidance. The project was completed in October 2021, and is certified and registered on the FSC public database, with capacity of capturing and conserving 8,500 tons of CO₂ emissions. It will foster a circular economy by using salvaged wood and forest waste for new local purposes, including the production of clean, renewable energy from biomass.

In 2021, EssilorLuxottica also supported a forestation project in Jiangxi Province in China, which aims to convert more than 7,000 hectares of formerly logged forests into protected forest regeneration areas and preserve the biodiversity of the region. The project, verified by VCS standard, not only reduces $\rm CO_2$ emissions, but also creates jobs and promotes agroforestry at local level. In 2021, EssilorLuxottica's support for the project compensated 15,000 tons of its $\rm CO_2$ emissions in direct operations.

Thanks to these two projects, EssilorLuxottica contributed to the global carbon neutrality agenda and advanced its climate commitment by compensating the equivalent amount of its residual scope 1 and 2 emissions in Italy and France (excluding GrandVision), where the Company has the most significant industrial footprint in Europe.

Decarbonizing the value chain

1. Assessing EssilorLuxottica's complete carbon footprint

To further advance actions within the value chain, EssilorLuxottica initiated its first complete carbon footprint assessment during the last quarter of 2021, with the involvement of different functions across the Company such as Procurement, Logistics, EHS, R&D, Engineering, HR and Finance.

This work is instrumental in building carbon reporting capacity across different teams, and will be the base to further improve carbon accounting, initiate decarbonization actions across the Group and prepare a more comprehensive climate roadmap.

2. Reducing carbon footprint of logistics activities to build a low-carbon supply chain

EssilorLuxottica has focused particularly on the transportation and distribution of products, which accounts for one of the most important indirect carbon emissions sources. The Company has a team dedicated to "low-carbon supply chain" initiatives with carbon reporting guidelines, engagement with suppliers and action plans to reduce GHG emissions.

¹⁾ for scope 1 emissions, the Company continues to use the ADEME database for related emission factors. However, to further precise the GHG accounting practice, emission factors have been updated to exclude the associated upstream emissions (scope 3) and only include emissions of the combustion step of gas or liquid fuel. This change in emission factors has an impact of around 15% decrease of scope 1 emissions compared to the previous calculation method;

²⁾ for scope 2 emissions, the Company switched to the most up-to-date IEA database for calculating its location-based scope 2 emissions. This methodological change has resulted in around 10% decrease of scope 2 emissions compared to the previous calculation based on the ADEME database. Excluding the impact of GrandVision and methodological changes, and in comparison with 2019, GHG emissions increased in line with the energy increase of the Group.